



Foreign and Commonwealth Office

London SW1A 2AH

14 April 1983

Dear John,

Future of Hong Kong: Prime Minister's
Message

attached.

Hong Kong telegram number 508 reported that the New China News Agency (NCNA) in Hong Kong had told the editor of the South China Morning Post that the Prime Minister had sent a personal message to the Chinese to the effect that Britain would concede sovereignty over Hong Kong if the package was right. The NCNA official added his personal comment that there should now be progress in the talks but that they would still be long and difficult. This is likely to appear in the paper on 15 April.

Hong Kong will decline to comment in answer to press enquiries and we have agreed that we should try to do the same, referring to the need to keep the talks with the Chinese confidential. But depending on how the story is reported, it may be difficult to hold to this comment, especially if the report is raised in Parliament. We recommend that, if this happens, we should emphasise that we had made it absolutely clear to the Chinese that the question of sovereignty was not in the Government's gift, and that Parliament alone had the power to decide on this. Beyond this we should not comment and should reiterate our adherence to confidentiality.

Chinese Aims

This is not the only occasion on which the Chinese have told third parties about the Prime Minister's letter. Liao Chengzhi, the Politburo member directly responsible for Hong Kong, passed a message about it to Mr Hal Miller MP, who has been invited to visit China, and gave him a pretty full account of the contents. Liao also told Fung King-Hey, Chairman of Sun Hung Kai Ltd, a leading Hong Kong company, when Fung visited Peking earlier this month.

We believe that the main aim of these breaches of confidence by the Chinese is to spread the idea publicly that we are prepared to concede sovereignty, in order to make it impossible for us to withdraw from this position and to reinforce the impression that it is useless to attempt to resist the idea of Hong Kong becoming a Special Administrative Region of China. They may be trying also

/to persuade



to persuade public opinion in Hong Kong that HMG is making important concessions without consulting it, thus undermining our position in Hong Kong. As far as the talks are concerned, they may either be trying to send a message that the Prime Minister's letter has helped to ease the situation (and this is corroborated by remarks made to Mr Miller and Mr Fung and by secret reports), or to soften us up for a response that reiterates their position that talks can only take place on the premise that China recovers sovereignty over Hong Kong.

Recommendations

It is for consideration whether we should make representations to the Chinese about the leak. This would show our displeasure at the Chinese action (which follows other, less serious breaches of confidentiality) in an effort to dissuade them from similar behaviour in future, and reiterate for the record the actual terms of the Prime Minister's message. On the other hand, no reply to the letter has yet been received and a dispute about confidentiality might possibly make it more difficult to reach agreement to hold substantive talks. But we do not in fact rate that risk highly. The Chinese are not likely, on past form, to allow firm handling to affect their decisions. The preliminary view here is that the balance of advantage is in favour of instructing the Ambassador to make representations. But we have not yet been able to consult the Ambassador and the Governor of Hong Kong. Mr Pym has also not been able to consider this. I will therefore write again with our considered view.

Yours ever
J E Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

SECRET

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RR HONG KONG
 GRS 190
 SECRET
 DESKBY 150200Z APR 83
 FM FCO 141615Z APR 83
 TO IMMEDIATE BRUNEI
 TELEGRAM NUMBER 60 OF 14 APRIL
 INFO HONG KONG, PEKING
 PERSONAL FOR PS/LORD BELSTEAD AND DONALD
 FUTURE OF HONG KONG : PRIME MINISTER'S MESSAGE

A.S.C. $\frac{15}{4}$
 h.a.

1. HONG KONG HAVE REPORTED THAT A MEMBER OF THE NCNA HAS TOLD THE EDITOR OF THE SOUTH CHINA MORNING POST THAT THE PRIME MINISTER HAS SENT A PERSONAL MESSAGE TO THE CHINESE TO THE EFFECT THAT HMG WOULD CONCEDE SOVEREIGNTY OVER HONG KONG IF THE PACKAGE WAS RIGHT. THE NCNA OFFICIAL ADDED THE PERSONAL COMMENT THAT THERE SHOULD NOW BE PROGRESS IN THE TALKS BUT THAT THEY WOULD STILL BE LONG AND DIFFICULT.
2. THE SCMP MAY PUBLISH THIS ON 15 APRIL. IF ASKED ABOUT IT, WE AND THE HONG KONG GOVERNMENT WILL DECLINE TO COMMENT, STRESSING THAT WE REGARD ALL CONTACTS WITH THE CHINESE FOLLOWING THE PRIME MINISTER'S VISIT AS CONFIDENTIAL.
3. WE HAVE TODAY DRAFTED A PRIVATE SECRETARY LETTER TO NO 10 GIVING OUR INITIAL ASSESSMENT OF THE CHINESE AIMS AND RECOMMENDATIONS ON A POSSIBLE PUBLIC AND PRIVATE RESPONSE IF THE SITUATION DEVELOPS. WE SHALL OF COURSE NEED TO CONSULT PEKING AND HONG KONG BEFORE FINAL DECISIONS ARE TAKEN.

PYM

FUTURE OF HONG KONG

LIMITED

- HD/HKGD
- HD/FED
- ED/PLANNING STAFF
- ED/PUSD
- PS
- PS/MR HURD
- PS/LORD BELSTEAD
- PS/PUS
- SIR J BULLIARD
- MR GIFFARD
- MR DONALD

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- MR MARTIN ASSESSMENTS STAFF
CABINET OFFICE
- MR FLOWER PUSD
- MR COLES NO 10 DOWNING ST

SECRET

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GR 80

SECRET
DESKBY 141100Z
FM HONG KONG 140950Z APR 83
TO IMMEDIATE FCO
TELEGRAM NUMBER 508 OF 14 APRIL
INFO IMMEDIATE PEKING (PERSONAL FOR AMBASSADOR)

FUTURE OF HONG KONG: PRIME MINISTER'S MESSAGE.

1. WE HAVE HAD IT ON GOOD AUTHORITY THAT A MEMBER OF THE NCNA HAS TOLD THE EDITOR OF THE S.C.M.P. THAT THE PM HAS SENT A PERSONAL MESSAGE TO THE CHINESE TO THE EFFECT THAT BRITAIN WOULD CONCEDE SOVEREIGNTY OVER HONG KONG ~~OF~~ THE PACKAGE WAS RIGHT. (1F1)
2. THE NCNA OFFICIAL ADDED THE PERSONAL COMMENT THAT THERE SHOULD NOW BE PROGRESS IN THE TALKS BUT THAT THEY WOULD STILL BE LONG AND DIFFICULT.
3. IF THERE ARE PRESS ENQUIRIES WE SHALL DECLINE TO COMMENT.

YOUDE

FUTURE OF HONG KONG

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SECRET



10 DOWNING STREET

From the Private Secretary

15 April 1983

Future of Hong Kong: Prime Minister's
Message

Thank you for your letter of 14 April reporting that the New China News Agency appear to have leaked the fact that the Prime Minister has sent a personal message to the Chinese and to have described the message as envisaging a concession by Britain of sovereignty over Hong Kong if the package was right.

As I told you last night, the Prime Minister agrees that we should meet initial press enquiries with a refusal to comment on the grounds that the talks with the Chinese should be kept confidential. But if the press begin to give the story prominence, or their enquiries become persistent, it will be necessary to make it clear that the Chinese have been told on several occasions that the question of sovereignty is not in the Government's gift and that Parliament alone has the power to decide on this.

BTF/ As regards the question of representations to the Chinese, I shall await your further advice.

A. J. COLES

John Holmes Esq
Foreign and Commonwealth Office.

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GPS 229

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FCO DESKBY 150900Z

PEKING DESKBY 150800Z

FM HONG KONG 150500Z APR 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 513 OF 15 APRIL 1983

INFO IMMEDIATE PEKING AND BRUNEI (PERSONAL FOR PS/LORD BELSTEAD
AND DONALD)

MY TELNO 508 AND YOUR TELNO 60 TO BRUNEI: FUTURE OF HONG KONG
PRIME MINISTER'S MESSAGE

1. THERE IS NO REPORT IN THE SOUTH CHINA MORNING POST (OR IN ANY
OTHER LOCAL PAPER) TODAY. AS FAR AS WE CAN SEE THE FACT THAT A
MESSAGE HAS BEEN SENT IS KNOWN (AT LEAST) TO HUTCHEON, HAL MILLER
(YOUR TELNO 22 TO PEKING), LORD SHEPHERD AND FUNG KING HEY (YOUR
TELNO 229 TO PEKING). THE MAIN BURDEN OF THE MESSAGE IS KNOWN TO
MILLER AND HUTCHEON, AND NCNA AND/OR THE CHINESE EMBASSY COULD
HAVE TOLD OTHERS: WE KNOW _____ THAT NCNA HAVE BEEN
BRIEFED BY PEKING ABOUT THE CONTENT OF THE MESSAGE BUT HAVE NOT
BEEN GIVEN THE TEXT. IT THEREFORE SEEMS LIKELY THAT STORIES ABOUT
THE MESSAGE WILL APPEAR IN THE PRESS SOONER RATHER THAN LATER, AND
INDEED THIS MAY BE THE CHINESE INTENTION. THEIR AIM WOULD PRESUMABLY
BE TO GIVE THE IMPRESSION THAT HMG HAVE NOW ACCEPTED THE CHINESE
POSITION THAT SOVEREIGNTY OVER THE WHOLE OF HONG KONG WILL REVERT
TO CHINA IN 1997, AND IF THE CHINESE AGREE TO SUBSTANTIVE TALKS
THE TALKS WOULD TAKE PLACE ON THAT BASIS.

(Repetition to BRUNEI
referred for departmental decision,
repeated as requested to other posts.)

YOUDE

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